

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

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June 18, 2018

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The State Universities Civil Service System respectfully submits the Governance, Risk, and Compliance Audit of the Office of Human Resources at the University of Illinois College of Medicine at Rockford, covering the period of August 1, 2014 through January 31, 2018. We are pleased to inform you that the results of this compliance audit concluded that there are no findings for this reporting period. Those personnel charged with this compliance responsibility are to be commended for their business practices leading to this excellent report.

However, please note that the designation and exemption of §36e(3) appointments (principal administrative employees) were not reviewed as part of this audit. As stated in a letter dated June 8, 2017, the University Civil Service Merit Board directed this office to review, coordinate, and develop standards related to the exemption of positions. Once those standards are in place, the Auditor will resume standard audit practices related to this topic during the next scheduled audit period. **These new standards will go into effect October 1, 2018.**

On behalf of the Legal and Compliance Services Division, we thank you and the human resource staff for a very productive audit experience. If there are any questions or a personal briefing on any item is desired, please contact David L. DeThorne, Legal and Compliance Services Manager and Legal Counsel or Lucinda M. Neitzel, Assistant Director of Legal and Compliance Services at (217) 278-3150.


Jeff Brownfield
Executive Director

STATE UNIVERSITIES CIVIL SERVICE SYSTEM



Governance, Risk and Compliance Audit Report (Final)

June 18, 2018

UNIVERSITY OF ILLINOIS COLLEGE OF MEDICINE AT ROCKFORD

Audit Time Frame:
August 1, 2014 – January 31, 2018

On-Site Visit:
May 30-31, 2018

Prepared by:

Lucinda M. Neitzel
Assistant Director, Legal and Compliance Services

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Authority and Jurisdiction

The State Universities Civil Service System was created as a separate entity of the State of Illinois and is under the control of the University Civil Service Merit Board as set forth in Section 36b(3) of the State Universities Civil Service Act (Act) (110 ILCS 70/36b(3)). The University System Office is charged with establishing “a sound program of personnel administration for its constituent employers (110 ILCS 70/36b(2))”.

As part of this statutory authority, the Merit Board has promulgated rules that delegate to the Executive Director the authority and responsibility for conducting “ongoing audit programs of all Civil Service operations at all places of employment for the purpose of assuring compliance with the [Act (110 ILCS 70/36b et seq.)] and [Part 250 of the Illinois Administrative Code (Code) (80 Ill. Adm. Code 250)] and for improving the programs of personnel administration of its constituent employers” (80 Ill. Adm. Code §250.140(c)). The purpose and intent of the Governance, Risk, and Compliance (GRC) Audit program is to assist Employers in complying with these governing regulations.

The Legal and Compliance Services Division is responsible for enforcing and making determinations as to whether existing personnel programs are consistent with governing regulations and procedural standards. However, in conjunction with that requirement, it is our goal to assist Employers in meeting the needs and expectations of administrators and civil service employees alike, identify problems and propose solutions, and provide staff assistance and guidance where needed. We believe that a collaborative approach through open communication provides the necessary avenue to which compliance is best achieved.

Prior to the on-site visit, the employer was provided with the Audit Charter, which was voted into the record and approved by the Merit Board on August 17, 2016. The employer was also provided with a detailed audit scope statement and associated risk assessment evaluation for each area or program being evaluated.

This report serves to formally communicate the final outcome of the Governance, Risk, and Compliance Audit, which included an extensive evaluation of data outcomes, questionnaires, interviews, and an on-site records evaluation conducted on May 30-31, 2018. A Preliminary Observation Report was provided to the Employer on May 31, 2018.

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Overview of Specific Areas Evaluated

Prior to selecting the audit criteria for any Employer, the following Human Resource topic areas were reviewed as part of the overall Audit Objective, Scope, and Risk Assessment Category:

Assignment of Positions to Class

The Auditor completes a review of selected job descriptions for timely updates, proper administration, and correct assignment of position classifications. Additional desk audits of selected positions are conducted onsite for appropriateness of position classifications. There is also an evaluation of the Employer's position audit process and corresponding determinations.

Compensation Programs

The Auditor completes an analysis of the Employer's use of pay rates and pay ranges, as approved by the Merit Board. An overall evaluation is then conducted of the Employer's compensation program and initiatives to meet requirements of pay equity within the Employer's market area.

Examination Program

The Auditor conducts a review of pre-employment testing operations. This includes test administration, admission procedures of applicants to examinations, license and certification verifications, scheduling, security, and register management.

Administration of Employment and Separation Procedures

The Auditor reviews the Employer's business processes and procedures related to the employment cycle, including pre-employment activities, probationary and status employment, and employment separation programs. There is also an assessment of the Employer's utilization and monitoring of non-status appointments.

General Review of the Employer's Human Resource Program

The Auditor completes a general review of the Employer's human resource programs with respect to effectiveness, efficiency and levels of communication to constituencies. There is also an assessment of the recognition and interaction of human resource programs within the Employer's faculty, administrative and support staff employee groups. The impact of new technology on the recordkeeping and processing of information is also an element for review.

Other Follow-up Items from Previous Audit

Other follow-up items from previous audits, as well as other matters deemed necessary and appropriate, may have been reviewed and submitted as additional audit topics.

The following staff members from the University System Office, Legal and Compliance Services Division, were directly responsible for conducting various aspects of the audit:

Lucinda M. Neitzel, Assistant Director

Paula Mitchell, Human Resource Assistant

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Audit Objective and Scope

Objective: As stated in the Governance, Risk, and Compliance Audit Charter for the State Universities Civil Service System, and approved by the Merit Board on August 17, 2016, the primary objective and purpose of the audit program is to evaluate and verify compliance with the Act, Code, and System Procedures. The University System is also charged with building strategic partnerships, evaluating processes and performance, providing direct guidance and support services, and implementing flexibilities that meet the needs of each employer, consistent with the Act.

Audit Scope: The Scope of this FY2018 Audit Cycle for the University of Illinois College of Medicine at Rockford included a comprehensive evaluation of employment designations and/or category of status and non-status appointments, Civil Service position audits, position description reviews, use of approved rates and ranges, examination security, register maintenance, compliance with the 900-hour limitation with respect to Extra Help appointments, and personnel record reviews.

Risk Assessment Categories

Topics of Specific Focus by Risk Assessment Category: Prior to performing audit functions, specific risk assessments were assigned and categorized for each topic area reviewed during the compliance audit process. The Auditor considers the following factors when determining the appropriate level of compliance violation and/or course of action:

- Repeat Breaches of the Act, Code, Procedure, or Audit Charter
- Multiple Instances of Non-Compliance
- Employer's Ability and Willingness to Operate in Compliance With the Law
- Employer's Historical Compliance Record
- Employee Concerns

While subject to change, audit findings are typically issued and defined on these designated and predetermined risk assessments as follows:

- Category 1: Serious Impact/Immediate Action Required
- Category 2: Medium Impact/Needs Improvement
- Category 3: Minimal Impact/Observation Only

For the current FY2018 Governance, Risk, and Compliance Audit at the University of Illinois College of Medicine at Rockford, the following risk assessments and areas of focus were communicated to the Employer prior to conducting the audit examination:

Category I: Identification of Civil Service Classifications Used, Use of Approved Rates and Ranges, Admission of Applicants to Examination, Examination Security Protocols, Register Referral of Candidates and Register Maintenance, Layoff Transactions, Specialty Factor Designations, Extra Help Appointments, and Temporary Upgrade Assignments.

Category II: Position Control Management, Removal of Names from Registers, Maintenance of Personnel Files, Temporary PAA Assignments, and Transaction Documents (Intern Requests, Disciplinary Suspensions, Dismissals, and Layoff Notices) on file at the University System Office.

Category III: Civil Service Desk Audits, Position Description Reviews, Timeliness of Classification Requests (Desk Audits), and Scheduling/Inventory of Examinations.

The Legal and Compliance Division recognizes and identifies these three categories of findings based on the facts presented by the Employer during the audit process, which are then evaluated against requirements consistent with regulatory guidelines in the Act, Code, and System Procedures. As part of a holistic review of each category, the overall risk of compliance or continued non-compliance is based on the history of the issue for a specific employer and/or the magnitude of the issue with respect to a particular topic.

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The compliance testing performed during this examination was conducted in accordance with State Universities Civil Service Act (110 ILCS 70/36b et seq.), Part 250 of the Illinois Administrative Code (Code) (80 Ill. Adm. Code 250), State Universities Civil Service Procedures Manuals, applicable University/agency policies/procedures, and auditing standards.

SUMMARY

<u>Number of</u>	<u>This Report</u>
Category 1 Findings	0
Category 2 Findings	0
Category 3 Findings	0
Repeated findings from previous audit®	0